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- (1) Battle over DFAA-caused bid-rigging scandal: Minshuto
(Democratic Party of Japan) gaining momentum with error by
"opponent" -- government, ruling parties

A bid-rigging scandal involving the Defense Facilities Administration Agency (DFAA) has added fuel to the ongoing battle between the ruling and opposition parties. The largest opposition party Minshuto confirmed at its executives meeting yesterday a policy line to grill the government and the ruling coalition on what it calls a set of four issues: US beef imports shipped without regard to bovine spongiform encephalopathy (BSE) contamination, the Livedoor stock scam, earthquake-resistance data fabrication, and bureaucrat-initiated bid-rigging at DFAA. It will relentlessly pursue the government and the ruling coalition, taking advantage of frequent "errors on the part of its opponent --the government and the ruling camp." Alarmed by this move, the ruling coalition suddenly decided to review during the current session of the Diet the law for the prevention of bureaucrat-initiated bid-rigging practices. In this review process, a new set of penalties will be established and its coverage will be expanded. The ruling camp is desperate indeed to dodge public criticism.

"In the recent question-and-answer session in the Diet, I mentioned the light and shadow of the Koizumi reforms. In addition to light and shadow, there is darkness, too." Speaking in this way, Minshuto head Seiji Maehara lost no time in touching on the bid-rigging scandal involving the DFAA at a press briefing yesterday.

Maehara stated, "Industries and bureaucrats sing the joys of this world, while the public at large makes a fool of themselves. This pattern of the society represents the darkness of the Koizumi administration." Speaking of the Livedoor scandal, he firmly noted: "Depending on how it will evolve in the days to come, a new phase of darkness could emerge."

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Similarities between Minshuto proposal and ruling coalition proposal

The ruling parties are desperate to minimize the impact of the bid-rigging scandal. The working team to discuss the law for the prevention of bureaucrat-initiated bid-rigging, chaired by former Foreign Minister Nobutaka Machimura, assembled its first meeting and agreed to submit a bill to revise that law to the current Diet session, aiming to get the bill enacted. Prime Minister Junichiro Koizumi also stressed the need for a quick response before reporters: "We must take even more strict measures to prevent a recurrence."

Revising the law would be a step for the ruling coalition to resist Minshuto's pursuit. What the Liberal Democratic Party (LDP) cited in the working team meeting as items for discussion include: 1) establishing a rule to punish public servants having a hand in bid-rigging; 2) expanding the scope of activities regarded as being involved in bid-rigging; and 3) expanding the requirements for demanding money as compensation from public servants from gross negligence to negligence. There are many items overlapping with Minshuto's bill, which was submitted to last year's special Diet session but was killed.

The New Komeito decided at a general meeting of its Policy Research Council to defer its approval of the bill to revise the Defense Agency (JDA) Establishment Law. The bill has nothing to do with the DFAA-involved bid-rigging case, but the party judged it necessary to receive a full account of the case. A certain lawmaker in the LDP who has distanced himself from the prime minister said: "The tide has changed."

Minshuto's pursuit less effective

Minshuto has yet to find an effective way of pursuit. Yoshihiko Noda, chair of Its Diet Affairs Committee, proudly stated at a meeting of Diet members: "We have succeeded in delaying for three days the start of deliberations on the budget bill for the next fiscal year." But there would be no serious impact of the three-day delay, given the rumor that the term of the current Diet

session will be extended widely.

"Minshuto has no punch. If it feels uneasy about its being called the forces of resistance, it could not grow into a party tough enough to take the reins of government," People's New Party President Tamisuke Watanuki said outspokenly in a speech at a meeting of Minshuto's Hatoyama group.

(2) Call for review of memorandum on questions emerging in government, ruling camp

NIHON KEIZAI (Page 2) (Full)
February 1, 2006

In response to the opposition parties' criticism of the government for the discrepancy between the written government reply and the government response to the US beef imports, some in the government and the ruling parties are beginning to call for the review of the memorandum-based questioning system, under which Diet members can question the government about its position. Bureaucrats who form written government replies, however, have been irritated by the opposition parties' offensive

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by using this memorandum-based questioning system. Give this, the move to throttle questions is likely to spread.

Chief Cabinet Secretary Shinzo Abe yesterday instructed Deputy Chief Cabinet Secretary Masahiro Futahashi to form a written government reply in close cooperation with relevant ministries and agencies, as well as by scrutinizing the contents. It is a general rule that the government will answer to the memorandum on questions in seven days. This rule, however, meets this criticism that the written reply tends to be affected by sectionalism.

In the LDP, Tadamori Oshima, chair of the Lower House Budget Committee, asked Lower House Steering Committee Chairperson Genichiro Sata to "discuss rules to be applied to a case where the situation changed from when the written reply had been created." LDP Upper House Caucus Secretary General Toranosuke Katayama told reporters, "Some rule is necessary," noting that some lawmakers in the opposition bloc are too prolific.

The largest opposition party Minshuto's (Democratic Party of Japan) President Seiji Maehara criticized the government: "An attempt to limit (the submission) of memorandum on questions is tantamount to suppressing the seat of politics."

The number of the submitted memorandums on questions in 2004 totaled 439, three times or more the number five years ago. Last year the number dropped to 266 as a result that at a board of directors meeting under the Lower House Steering Committee, the ruling and opposition parties agreed to use the system in accordance with the purpose of the system.

(3) Koizumi diplomacy-Its light and shadow: Japan, US, China locked with instability (Part 3): Japan bent on alliance with US; Washington tough, soft in its strategy toward Beijing

MAINICHI (Page 2) (Full)
February 1, 2006

On Jan. 10, a total of four research institutions from Japan, the United States, and China held a closed-door security seminar in the historical east-coast city of Philadelphia, where the Declaration of Independence was drawn up.

Seminar participants there exchanged views over lunch. In that session, a Chinese researcher on Japan from the Shanghai Institute for International Studies (SIIS) raised a question: "In California, the Ground Self-Defense Force (GSDF) and the US Marine Corps (USMC) started joint training exercises. Is that training not intended to land on the Senkaku islands?"

On the West Coast, with the North American Continent in between, Japan and the United States conducted their first bilateral joint

training at a USMC base in California from Jan. 9, the day before the seminar, to Jan. 27, with a scenario to defend a remote island. China was nervous about the realignment of US forces, with which Japan and the United States are integrating US Forces Japan (USFJ) and Japan's Self-Defense Forces (SDF). SIIS was seen as one with the Chinese government, not as a pro-Beijing think tank.

In February last year, Tokyo and Washington set "common strategic objectives" when embarking on their talks about USFJ realignment. Their joint press release at the time incorporated a passage that

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urges the peaceful settlement of problems over the Taiwan Strait through dialogue. China reacted negatively. Beijing took it that Japan and the United States threatened to defend Taiwan in the event of an armed conflict between China and Taiwan.

Dan Blumenthal, former senior director for China at the US Department of Defense and currently a fellow at the American Enterprise Institute (AEI), reads China's aim: "China has been criticizing Prime Minister Junichiro Koizumi's visits to Yasukuni Shrine. That's no more than a tactic. The biggest obstacle to China's regional ambition is a strengthened alliance between Japan and the United States."

US policy toward China is complex. In short, the US Department of State's stance differs from the Pentagon's. Foggy Bottom wants to establish a "strategic partnership" with Beijing against the backdrop of increasingly interdependent US-China economic ties. The Pentagon, however, is alert to China's military expansion as a "future threat."

Late last year, Thomas Donnelly, an AEI fellow and a neoconservative controversialist with clout on the Bush administration's security policy, came up with a paper, in which he advocated a "quartet alliance" of the United States, Britain, Japan, and India. Today, India, a one-time friend of the former Soviet Union, is the world's largest democracy with a population of nearly 1.1 billion. Washington is trying to win over India as a strategic partner that will bolster up the international order of freedom, Donnelly said in his paper.

Containment was the basis of US strategy toward the Soviet Union in the East-West Cold War era. In the US government, no one openly says the United States will apply it to China now. In March, however, President Bush will visit India for the first time. Prime Minister Koizumi visited India in April last year, and Foreign Minister Aso also visited that country in January this year. Donnelly sees the four-nation alliance as a reality.

On the diplomatic front, the United States has been working on China to become a responsible member of the international community. In the military arena, however, the United States is exploring containment. That could be US strategy toward China. Against that move, China is seeking rapprochement with the United States while trying to alienate Japan and the United States. Japan, standing between the United States and China, is saddled with the Yasukuni problem, which stands in the way of Japan's diplomatic approach to China. Japan has now chosen to strengthen its bilateral alliance with the United States and to back up the United States' military strategy.

In the process of strengthening the alliance, the SDF's role will expand and its new equipment will increase. In November last year, a group of defense-related lawmakers with the ruling Liberal Democratic Party visited the United States. They were invited to major munitions companies, such as Lockheed Martin Corp. and the Boeing Co., where they were exposed to their sales promotion of advanced satellite-based missile defense systems and a new fighter jets.

"Japan has been urged to buy so many weapons from America," one LDP executive said. "In the end," he added, "Japan might be treated as a burden to America that may have been getting along with China."

(4) Editorial: Process of making decision on resumption of US beef imports cannot be seen

TOKYO SHIMBUN (Page 5) (Full)
February 1, 2006

The public wants to know as to whether there was some kind of political consideration in the process of making a decision to resume imports of US beef. The government is responsible to make clear that point.

At a Budget Committee session of the House of Representative, Agriculture, Forestry and Fisheries Minister Shoichi Nakagawa's statements swayed back and forth.

The farm minister was unable to give an affirmative answer to the question of whether the government's decision to lift a ban on US beef imports violated the Cabinet decision. He then apologized, noting, "The government did not give sufficient explanation to the Lower House. I feel responsible for that."

It is only natural for Minshuto (Democratic Party of Japan) to pursue the government for its fuzzy answers.

The government promised in a formal document submitted to the Diet on Nov. 18 to dispatch officials to the United States to check US meatpackers before allowing the resumption of beef imports, but it did not keep that promise.

The government decided on Dec. 12 to lift the ban on US beef imports. On Dec. 13, a joint inspection team made up of the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Health, Labor and Welfare launched inspections for the first time on US beef processors. The first US beef shipment arrived on Dec. 16 before the inspections were wrapped up.

The government explained the reason for failing the implementation of the Cabinet decision that because it had learned after the Cabinet decision was made that effective inspections were impossible before resuming beef imports. We wonder if the government's explanation is true.

When thinking of debates on the issue of whether to resume US beef imports at the Food Safety Commission and talks between Japan and the United States, we dare say that there was a tacit understanding that inspections of US meat processing facilities should be conducted after resuming beef imports. It seems to imply that the wording "before resuming imports" was inserted in the informal document in process of making the Cabinet decision. We would like to know why that wording was ignored.

The US government formulated an export control program and it gave prior explanations to meatpackers wishing the resumption of beef exports. To that end, the US prepared a stamp for Japan-bound beef, and some US meat processors held road shows last year. The government might have thought that it would be possible to check at least these US meatpackers before lifting the ban on beef imports, if it had to open the market before the end of 2005.

The Japan-US summit was held last Nov. 16 in Kyoto. The question unavoidably arises that the government hastened the resumption of

beef imports as a present to President Bush and in doing so, broke its promise to send an inspection mission to the US.

The government should provide a detailed explanation about the background of its decision to remove the ban on imports of US beef and it should answer questions sincerely.

The government recently appears to be putting an end to the earthquake-proof data falsification scam and Livedoor scandal by answering from the sidelines. It should not downplay the issue involved in food safety. Consumers are unlikely to be convinced by that.

(5) Editorial: The job-offers-to-job-seekers ratio has improved to 1

NIHON KEIZAI (Page 2) (Full)
February 1, 2006

The seasonally adjusted ratio of job offers to jobseekers for December 2005 increased 0.01 from the previous month to 1, according to a report released by the Health, Labor and Welfare Ministry. The ratio has reached 1 for the first time in 13 years and 3 months since September 1992. The Internal Affairs and Communications Ministry also announced that the unemployment rate for December fell 0.2 to 4.4% and that the rate for the year 2005 also dropped 0.3 to 4.4%.

The statistics clearly confirmed the improved job market on the back of the economic recovery. The job-offers-to-jobseekers ratio fell below 1 following the burst of the economic bubble. The ratio plunged to 0.46 in May and June 1999 due to widespread employment adjustment.

The ratio began taking a steady upturn in later half of 2003, and it kept soaring, averaging 0.83 in 2004 and 0.95 in 2005. The ratio exceeded 1 from the mid-1960s through the early 1970s and between June 1988 and September 1992 - the bubble period and its aftermath. In view of such records, the figure 1 recorded in December 2005 is quite good.

Exports and consumption are back on a recovery path. The output of generally all industries, from automobile to home appliances to steel, is also increasing. With the return of manufacturing industries to Japan, capital investment has also been active.

Growing businesses resulting from strong performance and the imminent retirement of baby-boomers have prompted corporations at last to hire more employees. Although the employment structure has significantly changed and the environment surrounding employment has improved from a macro-economic perspective, a variety of disparities have emerged. Customized measures are necessary.

Disparities between local areas are particularly evident. For instance, Aichi Prefecture, where the automobile industry has been robust, marked 1.61 in December 2005, the highest in all 47 prefectures. Mie Prefecture, which has many liquid crystal plants, recorded 1.50, far greater than the national average. Tokyo also marked 1.54 owing to the new information-related services industry.

In contrast, Okinawa's ratio was 0.41, the lowest in the nation.

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Many prefectures in Hokkaido and the Tohoku and Kyushu regions also fell below 1 possibly because they lagged behind in promoting new industries in place of downsized public works projects.

Those low figures are also ascribable to corporate efforts to hire more part-time workers and temporary staffers to reduce costs. The rate for fulltime workers was 0.6, markedly lower than part-timers' 1.41. The issue of NEET (young people not in education, employment or training) remains serious, as well.

The central and local governments and corporations need to work more closely in taking comprehensive steps for, for instance, helping people find jobs, improving vocational training, and giving equal treatment to fulltime and part-time workers.

(6) Editorial: Time to get back to original point of recycling law

The government's council in its final draft on revising the Containers and Packaging Recycling Law sidestepped a proposed measure to make it obligatory to charge for plastic shopping bags. Taking this occasion, we should get back to the original point of the law and step up efforts to cement new bonds between regions eager to have Japan become a recycling-oriented society.

Although the council gave up imposing legal requirements, the direction is now set to obligate retailers to charge for shopping bags, in effect. The final draft specified: "We will take some legal steps to restrict retailers from distributing bags free of charge.

Specifically, the central government will give guidelines on reducing the distribution of plastic or paper bags and let retailers report on the state of implementation of the measure. For those who do not fully follow the guidelines, the government plans to take such measures as issuing recommendation or an order, as well as making announcement.

It appears that the issue of correcting the differentials in recycling-cost burdens between local governments and retailers has now involved consumers.

The draft urges consumers to completely separate the burnable containers and packaging from non-burnable ones and remove stains from such in a thorough way. The government panel proposes that the use of recyclable containers as "resources" or "materials" will bring down costs.

The draft suggests that local governments and retailers should equally share the money saved through such rationalization efforts.

We would like to expect local governments and residents to voluntarily make efforts to reduce plastic shopping bags while charging is made mandatory in effect. The final draft appears to be sending the message of "getting back to the original point of the law."

The original point is "role-sharing" among residents,

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corporations, and local governments. Its aim is to reduce container and packaging garbage, which account for 60% of all garbage produced across the nation. The legislation and recycling moves are only part of such efforts.

It is imperative to apply the brakes to the consumption and abandonment of large volumes of plastic shopping bags, setting aside the issue of who bears bag costs; otherwise, the three parties will be pressed to pay for it in the future.

In order to avoid paying the price, we now need to be aware of the necessity for the three parties in cooperation to create valuable resources by using garbage, the initial goal of the law. The three parties should properly share the roles and strengthen their ties by utilizing the law.

A ban on manufacturing, selling and distributing without charge of shopping bags under law is expected to produce some effect in the short run and in volume terms. But only this measure is not enough to create a recycling society. It is also imperative for residents, companies, and local governments who are aware of the importance of not to produce and buy goods that will end up in the garbage to voluntarily join hands with each other.

We expect the revised law will present the principle and mechanism of containing garbage more clearly than future options for cost burden sharing.

SCHIEFFER